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July 3, 1997
via facsimile:

Commissioner William Caton
Federal Communications Commission
1919 M Street, N.W. Room 832
Washington, D.C. 20554

Re: Reply Comments to **WT DOCKET 97-82**

Dear Commissioner Caton:

The following reply is to comments submitted to the FCC as they relate to the C and F Block Debt Restructuring.

Cellexis International, Inc. fully supports restructuring the debt incurred by successful C and F Block licensees immediately. The reason that the FCC created the C and F Block was to ensure the public intent be served by creating "true competition". One of the comments submitted by an existing PCS carrier; OmniPoint, suggests that any restructuring or reduction in the fees owed to the government would directly benefit resellers because of a theoretical pass through subsidy from the licensee. They also comment that this would create an incentive for resellers to aggressively pursue predatory pricing and make it virtually impossible for the five other carriers to support successful resale offerings. As a reseller throughout the western United States and in the Washington, D.C. market I can assure you that these theoretical assumptions are nothing more than that.

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In fact, our experience over the past three years has been that the A and B cellular carriers make it extremely difficult, if not virtually impossible, for resellers to enter and maintain profitable business relationships. Additionally the A and B cellular carriers make it a practice to approach customers of their resellers and offer rates "off the sheet" at will and think nothing of approaching the reseller with nothing more than "there is nothing I can do" for compensation for the customer. Having been involved for the past several years with the National Wireless Resellers Association (NWRA) I can affirm to you that this story can be told over and over again throughout most of the major markets throughout the United States. Furthermore, for OmniPoint to suggest that they are a PCS carrier currently offering viable resell programs is nothing more than myth. We have consistently, month end and month out approached Sprint PCS, ATT Wireless, OmniPoint, Western Wireless, Aerial Communications, with written and verbal requests to resell in their newly launched PCS/GSM markets only to be told that either they do not have any program available or that reselling is not a part of their business plan at this time. The C and F Blocks constitute the only viable opportunity for resellers throughout the US to participate in the growth of the wireless business.

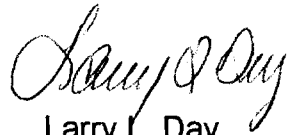
A subsidy would be welcomed but has never been offered or suggested nor is available in the current resale contracts offered by the new C & F Block licensees. We recommend that the FCC not consider any type of reauction which we believe would permanently eliminate opportunity for a successful C and F Block offering. Time is of the essence and as a result of the initial significant delays in creating the auction for C and F Block, the A and B players have had time to build out many of their markets and launch multimillion dollar ad campaigns. On a further point if anyone is to be considered predatory in their pricing, consider Sprint PCS recently launched in the Phoenix market place at five cents a minute through the year 2000. We have yet to find a financial analyst that will suggest that any carrier is able to pay for its infrastructure alone on five cents a minute. It is our position that the capital markets are offering a window of opportunity to the C and F Block within the next 30 to 60 days. After that, it was made very clear during the public forum by representatives from Lehman Brothers, Bear Sterns and Toronto Dominion Bank, that the traditional financial markets will "dry up".

We urge the FCC to act with extreme urgency on the proposals offered by C and F Block licensees and the panelists representing the financial community during the public forum.

Page 3
July 3, 1997
RE: WT Docket 97-82

True competition in the wireless marketplace has yet to be experienced throughout this country. It has been dominated since 1983 by a duopoly that consistently practices anti-competitive measures relative to resale. Although the FCC has made very clear its mandate for affordable resale to be offered with specific pricing our experience shows that they have been permitted to rewrite the books and without challenge contract resale only out of obligation rather than a desire to benefit from creative entrepreneurial marketing which could be effectively used to build and maintain customer loyalty and increase market penetration. Please act quickly and decisively on this important issue and you will inherit true competition thus fulfilling the FCC's intent behind the creation of these new licensees.

Sincerely,

A handwritten signature in cursive script, appearing to read "Larry L. Day".

Larry L. Day
Chief Financial Officer

LLD:lds